



DED Business Finance Contract Approval Process Kaizen Event

“Left Over Pie”

November 8-10, 2010

The “Left Over Pie” Team

Melanie



“Left Over Pie” Team Members

Melanie

Facilitator Mike Rohlf

Members Terry Roberson

Beth Balzer

Melanie Morgan

Kim Bentley

Paul Stueckradt

Kelley Myers

Beth Conley

Jessica Montana



Scope

Beth C.

- **This event will address the Business Finance Contract Approval process from when the award is presented for decision to when the contract is executed.**

Goals

Beth B

1. Reduce the amount of negotiations by 90%
2. Recipients will be required to execute within 120 days of award
3. We will generate and send out the contract within 30 days of award
4. Remove the board approval requirement for intership amendments/terminations
5. Remove the board approval requirement for contract terminations



Objectives

Beth B.

1. Explore how much we can do with existing resources
2. Maintain a manual contract development process through the development of ReQuest
3. Understand who needs to review what pieces
4. Better client understanding of what the process is, including timing
5. Define what constitutes negotiation
6. Define what is negotiable
7. Outline a negotiation process
8. Creation of FAQ information page on the website
9. Alleviate the four pain points- Paul's desk, Terry's desk, Melanie's desk and negotiations



Current Process

Paul



LEAN

State of Iowa
Continuous Improvement

Pain Points

Kelley

- Contract Development
- Contract Review in two places
- Negotiation

Results-Old Process

Melanie

| | OLD | | |
|-------------------|-------------------------|--|--|
| Total Steps | 63- 73 | | |
| Delays BC | 12- 20 | | |
| Delay WC | 12- 135 | | |
| Value Added Steps | 4- 2 | | |
| Decisions | 8- 10 | | |
| Loop Backs | 1- 2 | | |
| Total Handoffs | 19 no neg 21 negot. | | |
| Lead Time - Days | BC-30 days WC- 1 yr. | | |



Brainstorming

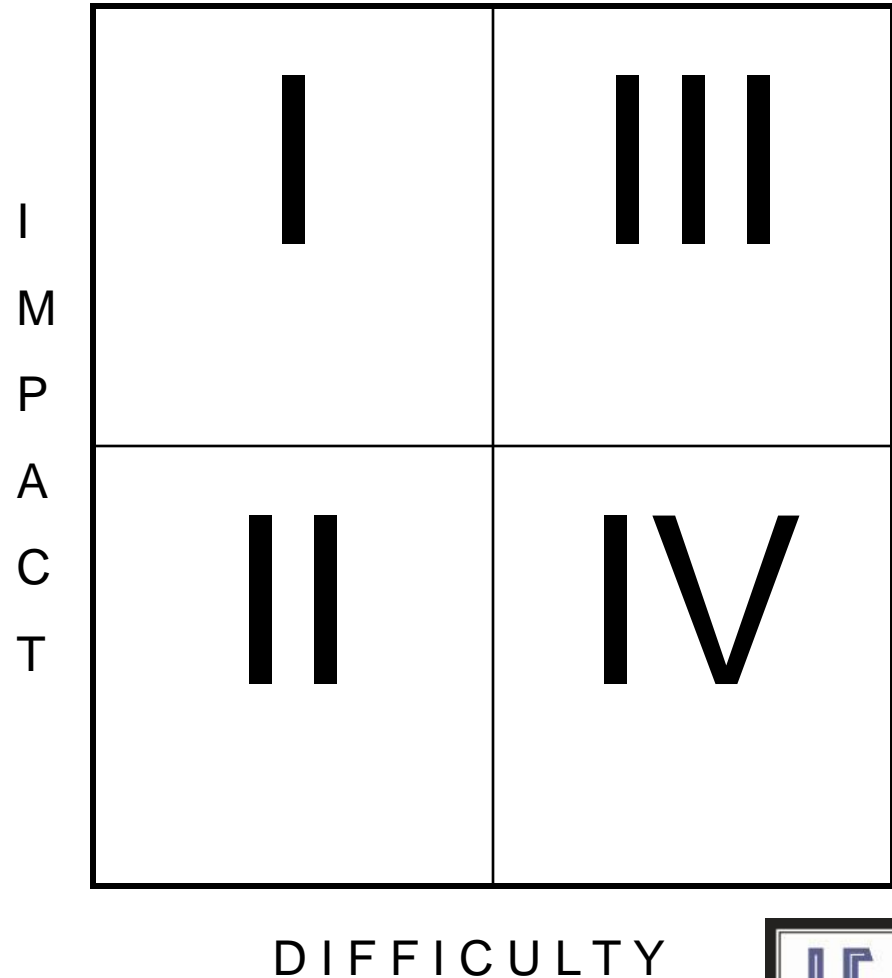
Kim

- Cross Train more people to do contract development
- Have more than one person draft contracts
- Review proposed award prior to board

De-selection Process

Kim

- Identifies
 - Impact to customer
 - Difficulty implementing
- Helps to rate/rank solutions to resolve issues while identifying ease of implementation



New Process

Paul



Results-New Process

Mike

| | 2/10 | 11/10 | New |
|-------------------|-----------------------------|-----------------------------|----------------------------|
| Total Steps | 160- 63 | 73 | 85 |
| Delays BC | 49 days- 9 | 12- 20 | 12- 17 |
| Delay WC | 674- 43 | 12- 135 | 12-120 |
| Value Added Steps | 2- 4 | 4- 2 | 2 |
| Decisions | 32- 8 | 8- 10 | 16 |
| Loop Backs | 14- 1 | 1- 2 | 2 |
| Total Handoffs | 38- 8 | 19 no negot 21 negotiate | 24 |
| Lead Time - Days | 20 days- 6.5 days | BC-30 days WC- 1 yr. | BC-30 days- WC-120 days |



Homework

Kelley

| Item | Item Description | Person Responsible | Due Date |
|------|---|--------------------|----------|
| 1 | Make recommendation to Director/Deputy for more staff be added to this process This is a priority. | Paul/ Kelley | 11/12 |
| 2 | Update existing award email notification | Kelley | 12/6 |
| 3 | Create a new email from the Compliance Project Manager that describes the Contract process | Kelley/Paul | 12/6 |
| 4 | Develop tools for the website | Melanie | 1/11 |
| 5 | Develop the website | Melanie | 2/11 |
| 6 | Update/modify the existing project report (term sheet) | Paul | 12/3 |
| 7 | Update the contract review record (CRO) • Include sign off role for each position | Kelley | 12/6 |
| 8 | Draft rules to eliminate Board review of Director approved award amendments and contract terminations | Jessica | 1/15 |
| 9 | Create a "Merge-able" shell | Melanie | 11/29 |



Team Member Experience

Kelley

Beth C

Comments

Mike Rohlf

**We welcome your
questions and comments!**

